

W-01303A-10-0448

ORIGINAL

**ARIZONA CORPORATION COMM
UTILITY COMPLAINT FORM**



Investigator: Scott Friedson

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2012 - 105402

Date: 8/16/2012

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Arizona Corporation Commission
DOCKETED

AUG 16 2012

Complaint By: First: Bert Last: Hilliard

Account Name: Bert Hilliard

Home: (602) 608-0000

Street: Unknown

Work:

City: Unknown

CBR:

State: AZ Zip: 99999

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

*****REFERRED FORM COMMISSIONER KENNEDY'S OFFICE*****

*****OPPOSED TO DECISION NO. 71345*****

*****W-01303A-10-0448*****

From: Bert Hilliard
Sent: Sunday, July 29, 2012 11:26 PM
To: Stump-Web; Pierce-Web; Newman-Web; Kennedy-Web
Subject: Anthem Water Rates

To the Arizona Corporation Commission:

As I sit down to pay my exorbitant water bill, I am once again reminded of the Arizona Corporation Commission's decision to permit Arizona American Water Company (now EPCOR Water) to raise its already HIGH WATER AND SEWER RATES. Each time I stroke my monthly check of approximately \$200, my blood boils! Those of you on the AZ Corporation Commission who approved the new fee structure nearly two years ago to increase the water rates on Anthem residents ought to be ashamed of yourselves! While I realize the water company was asking for nearly 100% rate increase, I believe the Corporation Commission's decision was more than favorable towards AZ American Water (EPCOR) for several reasons.

First, the water rates for the Anthem citizens living on the East side of I-17 were already astronomical prior to 2011. My monthly bill was approximately \$120 - \$130 per month. When my family (3 children and my wife) moved to Anthem towards the end of 2003 from Scottsdale, our water & sewer bill was approximately 35% higher! Not to mention, trash service, which runs another \$200 annually, wasn't included in our water bill like it was in Scottsdale.

Another inequity I would like to point out are the basic monthly service charges I am forced to pay (once again,

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exceptionally high). Since my house has a one inch pipe, I have the privilege of paying \$63.47 / month. In addition, my basic sewer service is approximately \$75 per month. So essentially, my wife and I are paying, \$137 per month just to have water and sewer service. Couple these expenses with the multitude of taxes levied on these services, and we are paying approximately \$150 per month for water and sewer!!! So if my family didn't use one drop of water during the billing cycle, we would owe EPCOR Water approximately \$150 for the month. Doesn't this seem a bit EXTREME to you?? When I compare our rates vs Scottsdale's proposed water and sewer rates for July 1, 2012, it isn't even close. Proposed single - residential w/ a one inch pipe = \$20 and the proposed sewer rates = \$13.65 for a total of \$33.65 (I think the current rates are slightly higher so let's say it would cost \$40 to \$45 per month today for these two services).

Along with the high monthly basic water and sewer rates, the usage fee is unfair as well. I believe the Corporation Commission permitted EPCOR Water to use low tier volumes. Our water rates go up after we use 2,000 gallons of water - really? And after my family (a family of 5) uses 5,000 gallons of water, our rate increases from \$3.05 per 1,000 gallons to \$5.07 per gallon. Not to mention, I believe it increases to nearly \$7.00 per every 1,000 gallons after 9,000 gallons used per month. Since I am paying \$150 per month just to have the water and sewer, I think the AZ Corporation Commission could have at least made higher tiered categories. I suggest you look at Scottsdale's proposed 2012 water rate schedule.

To make matters worse, the Corporation Commission granted EPCOR Water a water increase for 3 years (2011 - 13). As a local educator, I would like to have the a guaranteed pay increase (percentage wise) on par with what you gave EPCOR Water. Then, I might be able to afford to pay my water bill and other utilities which keep rising! Unfortunately, I don't see where conservation helps reduce our water bill. After all, it is my understanding that utility companies are basically guaranteed to make a certain amount of money since they provide an essential service. Thus, I would assume that if people in Anthem greatly diminish their water use, then we would either have our basic services increased or our usage of water increase.... again. Based upon this scenario, I would assume that we (residents of Anthem) are paying for former homeowners in Anthem who lost their homes over the last several years and didn't pay their water bills. If I am correct, then once again those of us who play by the rules pay the price.

I read a few weeks ago that the Corporation Commission ruled to decouple Anthem from a project in Agua Fria. When I called in the spring to voice my concern and displeasure over my sky-high water bill, I talked to a gentleman who was very friendly and helpful. He left me with the impression that we, the residents of Anthem, are paying for a project that doesn't directly benefit us. If this is true, how long have we been paying for this project, and why do we have to wait another six months to stop paying for it?

In a sad but true story, we had friends move from Anthem in May to a house on an acre lot in Peoria. We recently visited them, and they bragged about their low water bill (despite approximately 1/3 of the lot being grass) compared to when they lived in Anthem on a lot with a small patch of grass. In fact, my wife and I will probably move out of Anthem within the next year. While I can't blame it on our water bill, we have discussed the fact that we should save a significant amount of money annually on our water bill when we move.

Ultimately, I am extremely disappointed with the Arizona Corporation Commission's decision regarding Anthem water rates. I think it is ridiculous that my wife and I would owe approximately \$1,800 this year even if we didn't use one drop of water. In addition, to have our water usage prices increase after small increments is unfair as well. I have been a resident of Anthem for nine years and I have seen my water rates double (and they were high to begin with). In the last four years, I have received one pay increase of 1.4% which promptly covered my increased obligation to the state retirement system. My wife and I have allowed our 2,000 square feet of grass in the backyard to die due to the astronomical water rates which is sad. I truly believe the ACC made a grave mistake in permitting AZ American Water to raise the water rates and fees in Anthem so dramatically. Your decision has been a financial hardship for several families in Anthem including mine. Personally, I think you should reconsider your earlier decision.

Sincerely,

ARIZONA CORPORATION COMMISSION

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Bert Hilliard

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

8/16/12 Docketed for record purposes. Opposed to decision.

End of Comments

Date Completed:

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